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IN THE

Supreme Court of the United States

No. 1114

JEROME GROSS,

Petitioner,

v.

JFD MANUFACTURING CO., INC.

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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In its petition for a writ of certiorari the petitioner has managed to avoid apprising this Court of the substance of the alleged invention involved here. Actually, the "invention" comprised the removal of an encircling wire (which everyone recognized as undesirable for the then new field of ultra high frequency transmission), to an alternative position where it did not encircle the cable.

Ultra high frequency transmission began in 1953-54. At this time it was an old and well known fact that cables which carry high frequencies should not be encircled by metal (R. 48a). According to one witness, it is " * * * one of the first things that you learn when you get into high frequency work" (R. 48a). The Trial Court stated that this was common knowledge and that nobody could get credit for that observation (R. 110a, 111a).

The petitioner applied for his patent contemporaneously with the appearance of the new need. Nothing in the record shows that anyone was baffled by the new require-

ments. The patent was a simple mechanical response to circumstances as they arose and involved bare mechanical skill as pointed out by the decision of the circuit court. (See page 20 of the petition for writ of certiorari.) In fact, petitioner conceded at the trial that the mechanical arrangement of his device was a well known mechanical expedient (R. 96a).

The petitioner herein attempts to make out a case by employing transparent fabrication and by recklessly misquoting or mis-paraphrasing, the record. For example, petitioner boldly states on page 8 of its petition that "Defendant, the largest television accessory laboratory in the world, sought *intensively* for a solution to the problem." Petitioner cites Finding 20 as its source.

We now look at Finding 20 (R. 146a). It states that defendant "*had not intensively pursued* the development of an improved stand-off insulator", separately from its general antenna work. Obviously the petitioner is boldly misquoting the record. As to the defendant being the "largest television accessory laboratory in the world," the statement is absurd. Certainly corporations like R.C.A., General Electric, Westinghouse and the like would be amazed to learn that the "laboratory" of JFD Company is larger than is theirs. In fact, nothing in the record discloses anything of a laboratory in the defendant's plant. The petitioner neatly distorted the defendant's statement on page 177a of the record, to the effect that if one added up all individual units sold, the defendant could "conceivably be the world's largest *manufacturer*" (of television accessories). Nothing about a laboratory was mentioned. In fact, on page 179a of the record which petitioner refers to, it is shown that the defendant simply hires others to do its designing.

The repeated assertions that the "problem" was baffling are absurd. That the problem baffled no one is apparent from the petitioner's own testimony. The petitioner de-

scribed the creative process which gave birth to the insulator as follows:

> "Q. Is it also violating your rights if I ask you how you came to invent this insulator? A. Well, the business I was in I was always looking for good-functioning marketable items and after fooling around with ideas on stand-off insulators, I came up with the combination which I later applied for a patent for.
>
> Q. What was the problem that necessitated this search of yours? A. Oh, to come up with something that functioned better.
>
> Q. For what purpose? A. Oh, more convenient to use for the installation man and which in turn would be an electrical improvement over the ordinary stand-off.
>
> Q. What was the problem that was bothering you or the industry? A. Well, it wasn't a matter of what was bothering the industry. I just figured if I came up with an improved version of the stand-off, I would have a good marketable item, period.
>
> Q. Did it have anything to do with the higher frequency coming into use? A. That had some bearing on it.
>
> Q. When did these higher frequencies come into use? A. Somewhere in the particular time area, where I invented this insulator and started to market it." (8a)

In the case of *E. J. Brooks Co.* v. *Stoffel Seals Corp.*, 266 F. 2d 841, 842 (2d Cir. 1959), cert. denied, 361 U. S. 883, the court considered the "problem" criterion and stated:

> "When questioned by the court as to the problem on which he and the rest of the industry allegedly had been working before Ashton came out with his tag, he could answer only in terms of Ashton's solution, and how good that was, surpassing his own prior efforts in various features."

The petitioner in this case was likewise unable to even claim that a problem had existed.

In reality, petitioner is reduced to the contention that he was speedier and got to the patent office about three or four months before the defendant announced its insulator. The finding below that the defendant had not intensively pursued the solution accounts for its delay and not a word in the record suggests that the problem baffled it.

Petitioner also asserts that defendant and substantially the entire industry copied its insulator. However, compare the actual record where the plaintiff's attorney stated to the defendant witness:

> "Yours may be better, I am not arguing, yours may be better, indeed the trade copied yours." (R. 39a)

Thus, although having admitted that the trade copied the defendant's better insulator, petitioner asserts the exact opposite.

On page 9 of the petitioner's brief, it cites the case of *Armour & Co.* v. *Wilson & Co.*, 274 F. 2d 143 for the proposition that the reviewing court should accept the trial court's findings of fact on the question of invention "unless clearly erroneous." That very case, however, does not support the proposition at all. Reference to that decision at page 156 thereof makes it clear that the review of the ultimate determination is one of law, not fact. The question of whether the device is obvious was there stated to be "—a legal judgment and as such is subject to review by an appellate tribunal as a question of law" (274 F. 2d at p. 156). In *Titcomb* v. *Norton Co.*, 307 F. 2d 255 (2d Cir. 1962) it was stated that the legal conclusions as to whether or not a device involves invention are fully reviewable by the Court.' There is indeed unanimity in the circuits as deducible from the last paragraph of the above *Armour & Co.* v. *Wilson & Co.* case, at 274 F. 2d 143, 156. The petitioner hardly succeeds here in showing a disparate view in another circuit.

Further, the question has been precisely considered by this Court. In the case of *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147, 154 (1950), it was stated in a concurring opinion:

> "The standard of patentability is a constitutional standard; and the question of validity of a patent is a question of law. Mahn v. Harwood, 112 U. S. 354, 358. The Court fashioned in Graver Mfg. Co. v. Linde Co., 336 U. S. 271, 275, a rule for patent cases to the effect that this Court will not disturb a finding of invention made by two lower courts, in absence of a very obvious and exceptional showing of error. That rule, imported from other fields never had a place in patent law. Having served its purpose in Graver Mfg. Co. v. Linde Co., it is now in substance rejected. The Court now recognizes what has long been apparent in our case: that it is the 'standard of invention' that controls. That is present in every case where the validity of a patent is in issue. It is that question which the Court must decide. No 'finding of fact' can be a substitute for it in any case. The question of invention goes back to the constitutional standard in every case. We speak with final authority on that constitutional issue as we do on many others.
>
> The attempts through the years to get a broader, looser conception of patents than the Constitution contemplates have been persistent. The Patent Office, like most administrative agencies, has looked with favor on the opportunity which the exercise of discretion affords to expand its own jurisdiction. And so it has placed a host of gadgets under the armour of patents—gadgets that obviously have had no place in the constitutional scheme of advancing scientific knowledge."

The petitioner's claims of "overwhelming" commercial success must certainly be viewed as cynical. The exploitation of his trifling gadget promptly deposited him in the bankruptcy court. Petitioner, now for the first time, on page 13 of his petition, suggests that the defendant's alleged success might have had something to do with it.

The petitioner's "overwhelming orders for 4,000,000 insulators," must be be considered in the light of what these insulators cost. They sell for 2½¢ each (R. 35a-36a) and a million insulators sell for $25,000 so that these orders, (uncorroborated and admittedly never filled) amount in all to $100,000. Actual sales were about $6,000 which was characterized as a great failure (R. 36a). Even the sales of defendant's improved insulator progressively have dwindled to nothing and now, about eight years after the patent issued, it has practically vanished from the market (R. 33a; 36a-37a). Accordingly, so-called commercial success is imaginary and completely untrue. However, even if true it could not save this device where lack of invention is so plain, as the reviewing court in this case pointed out, citing *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U. S. 275, 279 (1944). (Petition P. 22).

The petitioner points out on page 11 of his petition that Judge Medina has stated in a previous case that whether or not a patent is sustained has come to depend on the particular reviewing panel of a circuit bench. However, even this contention can not help this petitioner. In this case, he petitioned for a rehearing *in banc*, which was denied on March 26, 1963 on the ground that no active circuit judge requested that it be heard. Accordingly, apparently no judge in the Second Circuit was impressed by the petitioner's claim of invention, including, of course, the three judges who unanimously rendered the decision below.

It is notable that instead of analyzing, or even barely describing the alleged invention, the petitioner indulges in philosophy regarding the demoralizing condition which results from the copying of a small businessman's "invention" by large corporations. In the first place, the defendant here designed its own insulator which the plaintiff admitted was superior to its own. Secondly, the device was a trifling gadget which was by far the least important part of the defendant's overall system (R. 40a).

The repeated assertion that defendant labored intensively for eight months to solve the problem is not only imaginary, but it contradicts the Finding 20 which the petitioner relies upon in his support of the statement. The defendant showed on page 40a of the record, that it was working on a complete line of antennas, of which this insulator was the least important part.

Finally, the philosophies of the petitioner in advocating monopolies of the type herein contended for, are alien to our economic policies. For historic fundamental reasons, it has been pointed out by the Supreme Court that patent monopolies should not lightly or capriciously vest. As the Supreme Court stated in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, 92 (1941):

> "Strict application of that test is necessary lest in the constant demand for new appliances the heavy hand of tribute be laid on each slight technological advance in an art. The consequences of the alternative course were forcefully pointed out by Mr. Justice Bradley in Atlantic Works v. Brady, 17 Otto 192, 200: 'Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith.' • • • "

Recently the Eighth Circuit Court of Appeals in *Welsh Co. of California v. Stroley of California Inc.*, 313 F. 2d 928, 928 (1963) stated:

> Many patent lawyers do not look with favor upon the pronouncement of the Supreme Court in the

Great A. & P. Tea Co. case that requires the lower courts to:

> "scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary their effect is to substract from former resources freely available to skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men." 340 U. S. 147 at 152-153, 71 S. Ct. 127, at 130-131, 95 L. Ed. 162 (1950).

Conclusion

This case involves the patentability of a device of sorry economic history and which the court below has labeled as plainly lacking in invention.

No serious argument controverts that holding and review thereof by *certiorari* would appear unwarranted.

The petition should be denied.

Dated: New York, June 3, 1963.

Respectfully submitted,

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